

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FIERMAN PRODUCE EXCHANGE, INC.,

Plaintiff,

Case No.: 07 CV 2927 (RO)

-against-

WATERMELONS PLUS, INC., WATERMELONS II,
INC., ANTHONY M. PAGANO, MAURICE TALDI
and MICHAEL J. PAGANO

Defendants.

**STIPULATION OF
SETTLEMENT**

IT IS HEREBY STIPULATED AND AGREED, by and between the Plaintiffs,
FIERMAN PRODUCE EXCHANGE, INC., by their attorneys, KREINCES & ROSENBERG,
P.C., and the Defendants, WATERMELONS II, INC. and ANTHONY M. PAGANO as follows:

1. The defendant, WATERMELONS II, INC. ("WATERMELONS II"),
acknowledges due and proper service of the Summons and Verified Complaint in this action, that
there is no defense thereto and that this Court has in personam jurisdiction over the defendant
WATERMELONS, II, INC.

2. The defendant, ANTHONY M. PAGANO ("PAGANO"), accepts service of the
Summons and Verified Complaint in this action, that there is no defense thereto and that this
Court has in personam jurisdiction over the defendant PAGANO.

3. The defendant, WATERMELON II, shall pay the sum of THIRTY-FIVE THOUSAND THREE HUNDRED EIGHTY-ONE (\$35,381.00) DOLLARS in full and final settlement of the claims in this action, said sum shall be paid as follows:

(i) Plaintiff acknowledges receipt of a payment of NINE THOUSAND SIX HUNDRED FIFTY-TWO (\$9,652.00) DOLLARS paid by bank check.

(ii) A Payment of TWELVE THOUSAND EIGHT HUNDRED FOURTEEN 50/100 (\$12,814.50) DOLLARS will be paid on or before May 22, 2007;

(ii) The balance of TWELVE THOUSAND NINE HUNDRED FOURTEEN 50/100 (\$12,914.50) DOLLARS will be paid on or before June 22, 2007.

(iv) All payments provided for herein shall be by bank check, subject to collection, payable to Kreinces & Rosenberg, P.C. as attorney and delivered to 900 Merchants Concourse, Suite 305, Westbury, New York 11590;

4. In the event the defendants shall fail to make the payment provided for herein, and upon five (5) days' written notice, by fax, to counsel for the defendants, the plaintiff may enter judgment against the defendants WATERMELON and PAGANO in the sum then due with interest from the date hereof, together with costs and disbursements incurred.

5. The defendants, WATERMELON and PAGANO, acknowledge the plaintiffs' claim is one under and pursuant to the trust provisions of the Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. 499 et seq., and that plaintiff reserves all rights and remedies, including but not limited to enforcement of plaintiff's PACA trust rights in the event of a default by the defendants.


6. Upon receipt of an executed copy of this Stipulation and payment pursuant to the terms hereof, the plaintiffs' attorneys shall file a Voluntary Dismissal, with prejudice, of the above-entitled action and deliver the same to US District Judge Kimba M. Wood for it to be "So Ordered".

7. Upon the satisfactory completion of payments hereunder and in the event that the action is continuing against the remaining parties, then plaintiff's counsel shall submit an order to the Court, upon notice to all parties, severing and dismissing, with prejudice, the causes of action against WATERMELONS II and PAGANO as described in this Stipulation.

Dated: Westbury, New York
May , 2007

WATERMELONS II, INC.

By: 
Anthony M. Pagano, President

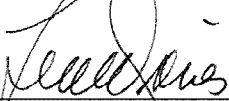

ANTHONY M. PAGANO, individually

SO ORDERED:


May __, 2007

U.S.D.J.

KREINCES & ROSENBERG, P.C.

By: 
Leonard Kreinces, Esq. (LK6524)
Attorneys for Plaintiff
900 Merchants Concourse, Suite 305
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516-227-6500

ROBERTS & FIDLER, P.C.

By: 
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